GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:103
ANSWERED ON:25.07.2016
Enactment of New Act on Coffee
Simha Shri Prathap

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the names of the countries which are the main buyers of Indian Coffee;

(b) whether the Government proposes to repeal the Coffee Act, 1942 and bring new Coffee Bill, 2016 and if so, the details thereof and the reasons therefor;

(c) whether the Government has sought comments from the public/stakeholders in this regard and if so, the details thereof along with the response of the Government thereto;

(d) whether coffee planters associations/ stakeholders have requested the Government to exempt plantation from the levy of Central Goods and Services Tax (CGST) under the proposed dual GST structure and if so, the details thereof along with the reaction of the Government thereto; and

(e) whether India''s coffee output is expected to drop due to poor rains and hot temperatures hitting plantations during the crucial flowering stage and if so, the remedial measures taken or proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

a) to e): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF LOK SABHA STARRED QUESTION NO. 103 FOR ANSWER ON 25TH JULY, 2016 REGARDING "ENACTMENT OF NEW ACT ON COFFEE"

(a) The Main buyers of Indian Coffee are Italy, Russian Federation, Germany, Belgium and Turkey which account for more than 50% of coffee exports from India.

(b) The existing Coffee Act was enacted more than seventy years back. Over the years, the role of the Coffee Board has changed and many provisions of the existing Act have become redundant, especially after abolition of Coffee Pooling System in 1996. The present activities of the Coffee Board are more focused on facilitating increase in production, quality upgradation, research and market promotion. Accordingly, it has been proposed to repeal the Coffee Act, 1942 and enact a new legislation, the Coffee Bill, 2016.

(c) The draft Coffee Bill, 2016 was prepared based on consultations with representatives from industry, growers, traders, exporters and various departments of Central and State Governments. It was posted on the websites of the Department of Commerce and Coffee Board for seeking further suggestions from stakeholders. The suggestions received were regarding the control of coffee industry, definition of coffee and coffee estate, cognizance of offence under the Act etc which are being examined.

(d) The Coffee Exporters Association have represented to Department of Commerce for adding green coffee beans to the exempted list in the proposed Goods and Services Tax. The matter is under consideration.

(e) It has been estimated that there is a likelihood of decline in coffee production in 2016-17 by 8 % as compared to that in 2015-16 due to lack of timely rains and high temperature during the crucial flowering stage. The Coffee Board is providing focused support for water augmentation and extension activities to coffee growers under the 'Integrated Coffee Development Project'. Further, coffee growers have been covered under the Rainfall Insurance Scheme for Coffee under which the growers are given compensation for crop losses due to erratic rainfall.

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